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HISTORY

“TO PROVIDE FOR THE
GENERAL WELFARE...”

Social Security from the
depression to today

PURPOSE

To help students understand how Social Security originated and the role it continues to play in American life.

OVERVIEW

The history of Social Security is an account of the nation's progress in coping with the unmet needs of society. The lesson discusses the socio-economic climate prior to passage of the Social Security Act, examines how the Act was designed to meet the problems of the day, and reviews how the Social Security program has developed and expanded.

OBJECTIVES

Students, at the conclusion of this session, will be able to:

1. Describe the conditions leading to passage of the Act and identify the problems the Act was designed to address.
2. Explain the major changes resulting in today's Social Security program.

MATERIALS

VIDEOTAPE
(if it has not been shown)
HANDOUTS
Nos. 1 through 7
FACTSHEET #1
Conditions Leading to the
Social Security Act
FACTSHEET #2
Social Security: From the
Depression to Today
QUIZ

KEY TERMS

ASSISTANCE PROGRAMS
Programs designed to help
people who have income and
assets below specified levels.

GRANTS-IN-AID
Federal funds provided to
states to finance public
assistance programs.

MEDICARE
The federal health insurance
program for people 65 and
over, or who have received
Social Security disability
benefits for two years or
more or who have permanent
kidney failure.

SOCIAL SECURITY
The federal program of social
insurance designed to
provide a continuing income
to families when the
breadwinner retires, dies, or
becomes disabled.

SOCIOECONOMIC
Combining social factors,
such as age and race, with
economic factors, such as
income, to describe events.

SOCIAL INSURANCE
A governmental system
based on worker
contributions that pays cash
benefits to workers who
suffer certain risks.

SUPPLEMENTAL SECURITY
INCOME (SSI)
A federal assistance program
that pays monthly cash
benefits to people 65 and
over, or blind, or disabled,
with limited income and
resources. The basic federal
payment is supplemented by
most states based on
differences in regional living
costs.

OPENING THE LESSON

Begin by telling students that this session will review the history of Social Security from the Depression to today. State the objectives of the lesson.

Show videotape if it has not already been shown. Write the key terms on the board and discuss.

HANDOUT 1

DEVELOPING THE LESSON

1. Based on the video and the factsheets, ask for a definition of Social Security. Who is it designed to help? How? Do they know anyone who is receiving Social Security? How would their lives be different without Social Security?

Note that the definition should indicate that Social Security is the nation's primary means of assuring a continuing income to a family when the worker retires, dies, or becomes disabled.

HANDOUT 3

Today nearly one out of six people in the country receives Social Security benefits:

Retired workers and their families

Disabled workers and their families

Widows and widowers, surviving children, dependent parents

These benefits keep millions of people out of poverty.

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2. Pass out Handout # 2 and give the students several minutes to read it. Or have a student volunteer to read it with the dramatic flair necessary to convey its tone and the mood of the times. Discuss why the Social Security Act was passed and the conditions it is designed to address. Discussion should focus on the lessons learned from the Great Depression and the conditions giving rise to the Social Security Act. Students may also refer to Factsheet #1.

HANDOUT 2

FACTSHEET 1

What were the conditions leading to the Great Depression and the Social Security Act? Highlight the following:

ECONOMY CHANGED FROM AGRARIAN TO INDUSTRIAL

HANDOUT 4

In 1870, most were independent farmers, tradesmen, artisans.

By 1930's, most were wage earners dependent on jobs in commerce and industry.

THE GREAT DEPRESSION

Dramatized workers' vulnerability to economic forces beyond their control.

Needs too great to be handled by state programs and private charity.

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3. Ask what, as elected leaders, they would have done faced with the Great Depression. Support the Townsend Plan? More money to the states? Discuss what was actually done.

HANDOUT 5

SOCIAL SECURITY ENACTED AUGUST 14, 1935

Original Act included:

Old-Age Insurance

Federal-state system of unemployment insurance

Federal Grants-in-Aid to states for assistance to aged, blind, families with dependent children

4. Briefly review the changes in Social Security since the beginning referring to Factsheet #2. Discuss the need for each of the changes and the problems they were designed to alleviate.

FACTSHEET 2

1935 RETIREMENT BENEFITS

Old-Age benefits for workers in commerce and industry.

HANDOUT 6

1939 SURVIVORS AND DEPENDENTS BENEFITS

Recognized that dependents suffer loss of income when worker retires or dies.

1940 FIRST BENEFITS PAID

1950's COVERAGE EXTENDED

To most other jobs, including self-employed.

1956 DISABILITY BENEFITS

Protection against loss of income due to "involuntary retirement" because of disability.

1965 MEDICARE

Protection against risk of high health care costs for people 65 and over. Extended to disabled and people with permanent kidney failure in 1972.

1972 BENEFIT FORMULA INDEXED TO RATE OF INFLATION

To help beneficiaries keep up with the cost of living.

1983 FINANCING STRENGTHENED

Changes made to assure sufficient income into the program into the foreseeable future.

SSI

In 1972, the law was changed to transfer state public assistance programs for the aged, blind, and disabled under the Social Security Act to the federal level, administered by the Social Security Administration. A new federal program was created—"Supplemental Security Income" or SSI. SSI provides:

HANDOUT 7

Monthly federal payments to needy people 65 and over, or blind, or disabled.

Nationwide, uniform floor of income protection for aged, blind, and disabled people.

States supplement basic federal payment based on local standards of need.

Funded from federal general revenues, not Social Security taxes.

CONCLUDING THE LESSON

Conclude the lesson with one or more of the following exercises.

Pass out the quiz and give students 10 minutes to take it. If time permits, exchange test papers and discuss answers.

Ask students to write a description of how conditions would be different for American families if the Great Depression happened today. You may begin the discussion and instruct students to submit the completed papers at the next class.

Note that unemployment benefits, Social Security, and public assistance payments provide a continuing income to families during difficult times. In addition, the benefits help fuel the economy during periods of recession. They give a large segment of the population the means to purchase goods and services, thereby giving retailers, wholesalers, and manufacturers the means to produce and sell more goods and services.

EXTENDING THE LESSON

Ask students what are some of the other social problems this country faces and whether they can be addressed by Social Security. (Homelessness? Health insurance for everyone? Drug abuse? Hunger?)

ALTERNATIVE EXERCISE

The objectives of this lesson could well be achieved through a role-playing exercise. Have the class sit as a joint session of the Congress discussing the Social Security bill just submitted. The debate should focus on whether it is the right response to the economic problems the nation faces. The factsheets should be the basis for the discussion, but students may be encouraged to do outside reading from the references. To ensure that every student participates, divide the class into five groups and assign each group a different proposed solution. Each group will attempt to show how its program will help the people most affected by the economic hardship of the Depression. The proposed solutions may include:

1. Passing the Townsend Act.
2. More money to the states to continue to shoulder responsibility for the welfare of their residents.
3. A complete public assistance program without social insurance features.
4. A complete social insurance program with no public assistance features.
5. The Social Security bill as presented, with its major features of social insurance and public assistance.

Discussion should focus on the advantages and disadvantages of each of these approaches in meeting the problems of economic insecurity in an industrialized society.

QUIZ/ANSWER SHEET—HISTORY

1. B
2. C
3. D
4. A
5. A

6. B
7. A
8. A
9. A
10. A



Social Security Administration